

**STATE OF CALIFORNIA  
BUSINESS, CONSUMER SERVICES AND HOUSING AGENCY  
DEPARTMENT OF BUSINESS OVERSIGHT**

TO: 1st Transactional Funder, LLC  
Jack Phillips Pruet  
26284 Grand Summit Trail  
Evergreen, Colorado 80439

**DESIST AND REFRAIN ORDER  
(For violations of section 22100 of the Financial Code)**

The Commissioner of Business Oversight finds that:

1. At all relevant times, 1st Transactional Funder, LLC (1st Transactional) is, or was, a Colorado limited liability company formed December 30, 2008. 1st Transactional's principal place of business is located at 26284 Grand Summit Trail, Evergreen, Colorado 80439. 1st Transactional purportedly engages in the business of marketing and advancing loans to small businesses.

2. At all relevant times herein, Jack Phillips Pruet (Pruet) is, or was, the president of 1st Transactional.

3. Beginning in at least November 24, 2014, 1st Transactional and Pruet engaged in the business of a finance lender or broker by originating or funding loans secured by promissory notes with at least one California resident.

4. On or about November 24, 2014, 1st Transactional and Pruet signed a Deed of Trust secured by a promissory note dated November 24, 2014 (Note), with a California borrower. Under the terms of the Note, 1st Transactional and Pruet agreed to provide a loan in the amount of \$875,000.00 to the borrower secured against the borrower's property. The Note provided that the borrower will pay interest calculated at 12% per annum, and a loan fee of \$52,500.00. Further, the Note stated that the "Lender must receive repayment of the principal amount of the loan plus fees in its entirety no later than February 24, 2015."

5. 1st Transactional and Pruet are not licensed by the Commissioner to engage in the business of a finance lender and/or broker as required by Financial Code section 22100.

1 Based on the foregoing findings, the Commissioner is of the opinion that 1st Transactional  
2 Funder, LLC and Jack Phillips Pruet have engaged in the business of a finance lender and/or broker  
3 without having first obtained a license from the Commissioner in violation of Financial Code section  
4 22100.

5 Pursuant to Financial Code section 22712, 1st Transactional Funder, LLC, and Jack Phillips  
6 Pruet are ordered to desist and refrain from engaging in the business of a finance lender and/or broker  
7 in the State of California without first obtaining a license from the Commissioner, or otherwise being  
8 exempt.

9 This Order is necessary, in the public interest, for the protection of consumers, and is  
10 consistent with the purposes, policies, and provisions of the Financing Law.

11 Dated: February 2, 2018  
12 Los Angeles, California

JAN LYNN OWEN  
Commissioner of Business Oversight

13  
14 By \_\_\_\_\_  
15 MARY ANN SMITH  
16 Deputy Commissioner  
17 Enforcement Division  
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